

**REMARKS/ARGUMENTS**

This Amendment is in response to the Final Office Action mailed January 24, 2005.

In the Office Action, the Examiner rejected claims 1, 4-9, and 12-19 under 35 U.S.C. § 103. Applicant has made minor amendments to independent claims 1 and 9 to further clarify the embodiments of the invention.

Reconsideration in light of the amendments and remarks made herein is respectfully requested.

The Examiner is thanked for the courtesy of an interview to discuss the present application in view of the references cited, the substance of which Applicant respectfully submits is set forth in the following Remarks.

Applicant respectfully submits that the case is now in condition for allowance or in better form for appeal.

***Rejection Under 35 U.S.C. § 103***

Claims 1, 6-9, and 13-19 stand rejected under 35 U.S.C. § 103(a) as being allegedly obvious over U.S. Patent No. 5,918,909 issued to Fiala et al. (hereinafter Fiala) in view of U.S. Patent No. 5,953,005 issued to Liu (hereinafter Liu).

As will be discussed, Applicant respectfully submits that the limitations of amended independent claims 1 and 9 are not taught, suggested, or rendered obvious by the combination of Fiala and Liu. Further, Applicant respectfully submits that the intended function of Fiala would be destroyed if it were modified to attempt to teach Applicant's amended independent claims 1 and 9, and therefore, a prima facie case of obviousness cannot be made. Moreover, Applicant respectfully submits that Liu teaches away from Applicant's amended independent claims 1 and 9.

Applicants respectfully traverse the Office Actions §103 obviousness rejections in their entirety, in light of the following remarks. As stated in MPEP §2141.03:

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A prima facie obviousness rejection requires the three basic criteria be met. First, there must be some teaching, suggestion, or motivation, either in the references of themselves, or in the knowledge generally available to one skilled in the art, to modify the reference or to combine the references. Second, there must be some reasonable expectation of success. Finally, the prior art reference, or references when combined, *must teach all the claim limitations*. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, *and not based on the Applicant's disclosure*. MPEP §2141.03. (Emphasis added).

MPEP §2141.03 further warns that *impermissible hindsight must be avoided*.

Furthermore, with regards to obviousness, as aptly stated by the Federal Circuit in *In re Kotzab*, 55 U.S.P.Q.2D (BNA) 1313, 1316-1317 (Fed. Cir. 2000):

Most if not all inventions arise from a combination of old elements. Thus every element of a claimed invention may often be found in the prior art. However, *identification in the prior art of each individual part claimed is insufficient to defeat patentability of the whole claimed invention*. Rather, to establish obviousness based on a combination of the elements disclosed in the prior art, there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant.

Looking at Applicant's amended independent claims 1 and 9 in view of the Office Action and Fiala and Liu, Applicant respectfully submits that it is clear that Applicant's amended independent claims 1 and 9 cannot be rendered obvious by the combination of Fiala and Liu.

To begin with, Fiala relates to pre-paid debit cards to enable metered accounts for the purpose of purchasing goods and services.

There is no mention in Fiala of *digital works*, packages or cards *displaying a description of the content of a digital work to be downloaded*, sending a request from a merchant node associated with the retail merchant to a remote server to set a status of a desired digital work as available for *one-time access*, or as the Office Action acknowledges, storing the desired digital work.

Applicant respectfully submits that Fiala is directed towards a completely different invention and as will be discussed, its intended function would be destroyed by trying to attempt to modify it to teach or suggest Applicant's amended independent claims 1 and 9.

Applicant hereinafter will discuss amended independent claim 1 in view of the references and respectfully submits that independent claim 9 has been amended to include the same limitations as amended independent claim 1, and includes even further structural claim limitations than claim 1, and therefore is patentable for at least the same reasons as amended independent claim 1.

To begin with, as cited particularly in Fiala:

"The present invention relates, in general, to packaging for well-known pre-paid debit cards... Such debit cards are associated with a pre-paid metered account, and the account is debited as purchases are made by a customer... In particular, the present invention relates to a package for holding a data-encoded card associated with a metered account and a method of using the package and card on the nation to activate the metered account with a certain pre-determined value at the time of purchase of the card and package combination" (Fiala, column 1, lincs 26-36) (emphasis added).

In contrast, Applicant's amended independent claims 1 is directed to a method for distributing *digital works* among a retail merchant having a merchant node, a remote server, and a customer at a customer node in which the method comprises the steps of...storing the digital works and their associated identification data on a memory of a remote server...purchasing from the retail merchant a package including a card *associated with the desired one of the digital works*...wherin the card includes a card identifier displayed on an outer surface of the card...the card identifier being a code that includes the desired digital works identification data to uniquely identify the digital work and the card being purchased...the outer surface of the card or package further *displaying a description of the content of the digital work to be downloaded*...and sending a request from a merchant node associated with the retail merchant to the remote server to set a status of the desired digital work as *available for one-time access* based on the card identifier of the card associated with the digital work...along with many other limitations.

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Applicant respectfully submits that Fiala nowhere teaches a card including a card identifier displayed on the outer surface of the card...to uniquely identify the *digital work*...the outer surface of the card or package further *displaying a description of the content of the digital work to be downloaded*.

This is because Fiala does not deal at all with digital works but only pre-paid debit cards for pre-paid metered accounts with a certain pre-determined amount of value.

In fact, nowhere does Fiala teach displaying a description of the content of the digital work to be downloaded. The only reference given by the Office Action for this is that of column 14, lines 30-35 of Fiala which states that: "Printed material, such as advertisements, coupons, instructions, etc. may be located on the first panel...and/or the second panel...like all embodiments, the eighth embodiment preferably has an opening..."

Thus, quite clearly, Fiala does not teach or suggest the limitation of displaying a *description of the content of the digital work to be downloaded*. Further, Fiala does not teach or suggest *digital works*. Moreover, Fiala does not teach or suggest setting a status of the desired digital work as available for *one-time access*; because Fiala instead teaches pre-paid metered accounts with pre-determined amounts of value for multiple purchases as will be discussed.

More particularly, the intended function of Fiala would be destroyed if it were to be attempted to be modified to teach Applicant's amended independent claim 1 which includes sending a request from a merchant node associated with the retail merchant to the remote server to set a status of the desired digital work as available for *one-time access* based on the card identifier of the card associated with the digital work.

Firstly, Fiala does not deal with digital works at all. Secondly, Fiala is directed to pre-paid debit cards to activate metered accounts with a certain pre-determined value at the time of purchase for multiple uses.

As set forth in Fiala:

"Once activated, the metered account is credited with a certain pre-determined balance, and any person having the PIN number P can subsequently be provided with goods or services having a total value up to the value of the certain pre-determined balance simply by providing the PIN number each time a transaction is desired" (Column 4, lines 65-67, column 5, lines 1-4) (emphasis added).

Thus, as particularly stated in Fiala, Fiala is directed towards a metered account with a predetermined balance for multiple transactions.

Accordingly, Fiala's intended function of providing a metered account with a predetermined balance for multiple transactions would be destroyed by trying to modify it to teach sending a request from a merchant node associated with the retail merchant to the remote server to set a status of a desired digital work as available for *one-time access*.

It is a basic tenant of a prima facie case of obviousness that if a prior art reference is cited that requires modification in order to meet the claimed invention, or requires some modification in order to be properly combined with another reference, and if such modification destroys the purpose or intended function of the invention disclosed in the reference, then the references are not properly combinable. Thus, the Federal Circuit has consistently held that when a § 103 rejection is based upon a modification of a primary reference that destroys the intent, purpose, or function of the invention disclosed in the primary reference, such a proposed modification is not proper in the prima facie case of obviousness and cannot be properly made. MPEP 2143.01; In re Gordon, 221 USPQ 1125 (Fed. Cir. 1984). Furthermore, it is a basic tenant of a prima facie case of obviousness that "[i]t is improper to combine references where the references *teach away* from their combination." MPEP § 2145 (emphasis added).

Thus, as previously discussed in detail, Applicant respectfully submits that Fiala nowhere teaches or suggests purchasing from a retail merchant a package including a card wherein the card is associated with a *digital work*...and the outer surface of the card or package *displays a description of the content of the digital work* to be downloaded. There is quite simply no teaching or suggestion in Fiala of these limitations. Further, as previously discussed, the intended function of Fiala would be destroyed if it were tried to be modified away from a pre-

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paid debit card with a metered account for multiple transactions for goods and services to a one-time access based on a card identifier of a card for a *digital work*.

In fact, Fiala nowhere teaches digital works, sending requests to merchant nodes for digital works, searching digital works stored on a remote server for desired digital work specified by a card, etc., this is because Fiala does not deal with digital works.

Even the previous Office Action acknowledges that Fiala does not teach storing digital works (Office Action, page 6). Therefore, the Office Action attempts to combine Fiala with Liu because as the Office Action alleges: [I]t would be beneficial to both commercial and home users for the distribution of Karaokc and other multi-media content to be provided on-line by an internet distribution system...Liu teaches a system and a method of downloading digital content (e.g. songs) (hereinafter referred to as "digital works") into a customer computer over the internet...(Office Action, page 6).

However, Applicant respectfully submits that Liu teaches away from Applicant's invention on at least two levels. As stated in MPEP §2145 "It is improper to combine references where the references teach away from their combination."

To begin with, Applicant respectfully submits that the very reason that Liu is cited by the Office Action, to teach storing the desired digital work of a memory of the customer node, is erroneous. Applicant respectfully traverses this assertion and respectfully submits that this limitation is not taught or suggested by Liu. In fact, Liu teaches away from this limitation.

Applicant respectfully submits that Liu teaches away from Applicant's amended claim 1 limitation directed to storing the desired digital work on a memory of the customer node *such that the digital work is available for subsequent use by the customer at the customer node after the customer logs off of the remote server.*

As particularly taught by Liu, in column 5, lines 43-49:

"Once the user logs off page 10 at box 126, applets are removed from the user's computer system's memory...In this manner, piracy of content is particularly difficult since one key will decrypt encrypted data for one song,

which can expire after one play... Accordingly, access is more secure and this multi-media content is better protected (emphasis added).

Even more particularly, as shown in Figure 5 of Liu, the song plays 118 and then expires 122.

Thus, Liu teaches that a song that is downloaded expires after one play such that multi-media content is better protected.

This is in stark contrast to Applicant's claim limitations in which the desired digital work is stored on the memory of the customer node *such that the digital work is available for subsequent use by the customer at the customer node after the customer logs off of the remote server*. In fact, Liu directly teaches away from this.

In fact, Liu teaches away on another level as well. In Liu, songs are automatically downloaded to the user such that a user does not need to purchase a card that identifies a particular digital work to be downloaded and to input a card identifier from the purchase card to receive a downloaded digital work.

As set forth in the summary of the invention of Liu: [W]hen a user desires to access songs which are most popular at a given time, the user is completely unaware of the automatic delivery of an applet including data and instructions from a main database server... When the user accesses the page, a song list and other information is displayed on a display apparatus... When the user clicks on the particular song of the song list... the applet executes an authentication request... If the user is authenticated, the authentication is downloaded as part of the applet containing the desired multimedia content... While the user is still on the page, an applet containing a new song list is downloaded to the user's computer system, so that in the near future, when the user goes to click another song for playing, the song list is updated and includes the newest and most popular songs. (Summary of the Invention, column 2, lines 34-53).

The only mention of a "card" is as part of "authentication" process for personal identification. As stated in Liu: "Authentication...includes verifying payment data, a user password...with a form of personal identification...a credit, debit, prepaid cash card or smart

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card." (Liu, column 5, lines 13-17) (emphasis added). There is absolutely no teaching or suggestion in Liu of a card identifying a particular digital work that is purchased at a retail merchant for subsequent download.

Thus, Liu is directed towards immediate access of songs, and teaches away from a customer purchasing from a retail merchant a package including a card identifying a digital work to be downloaded...sending a request from a merchant node associated with the retail merchant to the server to set a status of the desired digital work as available for one-time access...sending a request to access the desired digital work from the customer node through the communications network specifying the desired digital works identification data included in the card identifier...and then receiving and storing the desired digital work at the customer node.

Quite clearly, Liu is directed towards immediate access of songs for temporary storage with key-based security measures to address piracy concerns and teaches away from Applicant's amended independent claim 1 directed to *purchasing a card from a retail merchant identifying a particular digital work...sending a request including the desired digital work's identification data included in the card and receiving and storing the desired digital work on the memory of the customer node such that the digital work is available for subsequent use by the customer at the customer node after the consumer logs off of the remote server.*

Liu, like Fiala, is directed towards a totally different invention and even if it were combinable with Fiala, would still not teach Applicant's amended independent claim 1.

Thus, as outlined in detail above, neither Fiala or Liu teach or suggest Applicant's amended claim limitations as set forth in amended independent claim 1. In fact, as previously discussed, Fiala's intended function would be destroyed if it were to be modified to teach or suggest Applicant's amended independent claim 1. And moreover, Liu teaches away from Applicant's amended independent claim 1.

Therefore, based on the above, Applicant respectfully submits that amended independent claims 1 and 9 are clearly patentable over the references cited by the Office Action. Applicant respectfully requests that amended independent claims 1 and 9 be allowed and passed to issuance.

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Further, the dependent claims, which are dependent upon the allowable amended independent claim, are also allowable and Applicant respectfully requests that they be passed to issuance.

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***Conclusion***

In view of the remarks made above, it is respectfully submitted that pending claims 1, 4-9, and 12-15 define the subject invention over the prior art of record. Thus, Applicant respectfully submits that all the pending claims are in condition for allowance, and such action is earnestly solicited at the earliest possible date. The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application. To the extent necessary, a petition for an extension of time under 37 C.F.R. is hereby made. Please charge any shortage in fees in connection with the filing of this paper, including extension of time fees, to Deposit Account 02-2666 and please credit any excess fees to such account.

Respectfully submitted,

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Dated: 2/24/2005

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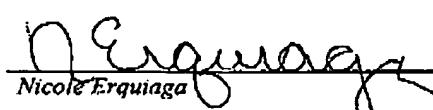
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